
VERIZON / MOBILEARIA SERVICE LEVEL AGREEMENT

11 System Availability / Scheduled Maintenance

11.1 Availability

The companion applications to MobileAria/Location Data have agreed-upon hours of availability. The two main applications are:

- 1) Web-based ticketing
- 2) Data feed

and shall be available 24x7x365 except for during pre-arranged down time periods and maintenance periods. MobileAria shall advise Verizon in writing seven (7) to fifteen (15) days in advance of any scheduled down time or maintenance period.

11.2 Online Schedule Changes for Emergencies Only

It may be necessary for applications or systems to be down during the regularly scheduled online hours in emergencies only. Unless during an emergency all other application or system down time should be done out of the normal business hours (hours to be determined by Verizon SD and IT). This may be necessary to install necessary software upgrades, hardware upgrades, database conversions or other activities. Changes to the regularly scheduled online hours must be requested at least one (1) week in advance unless it is to rectify an occurring service affecting condition. MobileAria will contact the necessary parties to determine if the change can be accommodated if the systems are outside of MobileAria direct control.

11.3 Emergency Changes

An emergency "Change Control" may be requested in the JMS Data Feed application or operating environment because of an occurring or imminent trouble condition. The "Change Control" will require Verizon SD/IT approval and coordination.

Other types of "changes" may also fall into the emergency classification because of the less-than-one-week notification. There may be a need to extend an application's hours of availability when business conditions arise. These conditions could include, but are not be limited to storms, disasters, work stoppages, and presidential visits. During these situations, the availability of the application must be managed by MobileAria support and assisted by Verizon SD/IT.

12 Severity Levels

The Verizon SD/IT Support organization shall determine the appropriate Severity Level rating for a given trouble.

12.1 Severity Level 1

Trouble Level: Service Failure



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Response Time: Immediate

Average Restore Time: Within 2 Hours

Description: A Severity Level 1 problem occurs when the system is unavailable, inaccessible, or a major component or feature is inoperable. It also occurs when the inability to use the system, the component, or the feature has a critical impact on Verizon's operation. For example, "all Users", "every User in a region", or significant user (e.g., UAT), or no data provided over the JMS interface between MobileAria and Verizon (to SABIT). This would include a user getting no response or the wrong response. A Severity Level 1 trouble is given the highest level of priority in each organization that is involved in the repair trouble flow. These troubles also include situations where the system is restored, but where the trouble has not been identified therefore leading to the possibility of the trouble reoccurring. The appropriate MobileAria Subject Matter Expert is contacted by telephone during normal business or pager. Out of normal business hours, contact is by cell phone.

The intention is to repair or implement a "fix" of a Severity Level 1 trouble immediately. As stated in this document the average restore time is within two (2) hours. The trouble will be worked on continuously until a resolution is in place and the user community is able to process work.

12.2 Severity Level 2

Trouble Level: Service Degradation

Response Time: Within 4 Hours

Restore Time: Within 2 Working Days

Description: A Severity Level 2 problem occurs when the system is available, accessible, and usable, but an essential component or feature is malfunctioning and negatively impacts Verizon's operation. For example, an entry field in the application appears to be malfunctioning. Also problems associated with short-term resolution "fixes" (non-Severity 1) are considered a Severity Level 2 problem. The appropriate MobileAria Subject Matter Expert is contacted by telephone during normal business hours.

The intent of a Severity Level 2 trouble is that a user community is operating in its normal operating environment, but problems have been identified that impede a discrete number of transactions. These types of troubles are not service affecting to a great degree, and the resolution may take longer to resolve. If the number of transactions increases beyond what is acceptable to Verizon, then the trouble will be upgraded to a Severity Level 1.

12.3 Severity Level 3

Trouble Level: Moderate Service Impact

Response Time: Assigned or Scheduled for Next Release

Restore Time: Determined by MobileAria Project Manager & Verizon SD

Description: Severity Level 3 problems occur when the system is usable, but is not functioning in accordance with specifications to the current user documentation for the applicable release of the software. In addition, if the error condition has no substantial impact on Verizon's operation. These troubles can be fixes/patches that are needed to resolve problems with the current release of the application but are not service affecting. They can also include Service Requests (SR's) that are identified by the users or System Administration. The appropriate MobileAria Subject Matter Expert is contacted by telephone during normal business hours.

The intent of a Severity Level 3 is to provide a category to include issues that are of moderate service impact or issues that have been recognized as minor in relation to the service provided by the application. These



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troubles are generally small fixes that if implemented would allow the application to operate more efficiently for the organization that initiated the trouble. The MobileAria Project Manager will be responsible for tracking these SRs and deciding which items will be included in future releases.

12.4 Severity Level 4

Trouble Level: New Feature/Functionality

Response Time: Assigned or Scheduled for Next Release

Restore Time: Determined by MobileAria & Verizon SD/IT

Description: Severity Level 4 problems are classified as changes that need to be made in documentation or reports. The category also includes system enhancements that are identified by the user community or System Administration. The MobileAria Project Manager is contacted by telephone during normal business hours.

This category will include new ideas for enhancements that are suggested by the user community. It will also include requests for changes in the documentation. These issues will be brought in front of the GPS Steering Committee to determine the feasibility, benefits, and timeframe associated with incorporating such changes.

13 Escalation Procedures

Please refer to Appendix C for flow schematic supporting Incident Escalations.

13.1 Severity Level 1

MobileAria Project Team will establish a conference bridge (within the first hour) when a Severity Level 1 trouble is reported.

Step	When	From	To
1	Upon Failure	End-User via Service Requests (SRs) or telephone call	MobileAria
2	After 1 Hours	Verizon SD/IT and MobileAria	Appropriate region coordinator if account wide, or Verizon national account mgr if global issue.
3	After 2 Hours	Verizon SD/IT and MobileAria	Verizon national account mgr if affecting a single account, or Director I&M Process mgmt if global issue



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13.2 Severity Level 2

Step	When	From	To
1	Upon Failure	End-User, Service Requests (SRs), or manual review	MobileAria
2	After 24 Hours	Verizon SD/IT and MobileAria	Appropriate region's First Step Escalation
3	After 48 Hours	Verizon SD/IT and MobileAria	Appropriate region's Second Step Escalation
4	After 72 Hours	Verizon SD/IT and MobileAria	Appropriate region's Third Step Escalation (Verizon Director and MobileAria Director)

13.3 Severity Level 3

Severity Level 3 items will be prioritized by the MobileAria Project Manager. The requirement for escalations will be determined by Verizon SD or IT and MobileAria. The escalations for this severity level will be necessary when a work group or organization is not performing a function in a timely manner to resolve the issue(s).

13.4 Severity Level 4

Severity Level 4 items will be prioritized by the MobileAria Project Manager. The requirement for escalations will be determined by Verizon SD or IT and MobileAria. The escalations for this severity level will be necessary when a work group or organization is not performing a function in a timely manner to resolve the issue(s).



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VERIZON / MOBILEARIA SERVICE LEVEL AGREEMENT

14 Incident Review Process/Post- Mortem

14.1 Purpose

The following Incident Review Process is designed to provide a feedback mechanism for MobileAria/Location Data system, and/or application issues that have caused, or will cause, extreme efforts to resolve. This process is designed to provide a forum to bring constructive input to a process or problem that had or has the potential to occur. The incidents will be captured on the GPS Action Report and the GPS Incidents Report, developed by Verizon SD.

14.2 Leadership

This effort will be initiated by Verizon SD and organized and headed by the Verizon SD support organization. It is the responsibility of the Verizon SD Support organization to convene all the appropriate parties to resolve an open service related issue, or to review a past service related outage. Incidents will be documented on the GPS Action Report, other incidental concerns will be documented on the GPS Incidental Report.

14.3 Process

Once convened, organization representatives are required to detail the activity that their organization performed to arrive at a resolution of the current problem. Once every organization has completed their analysis, the committee must agree on a solution to prevent problems reoccurrence.



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VERIZON / MOBILEARIA SERVICE LEVEL AGREEMENT

15 MobileAria Responsibilities

MobileAria/ GPS TECHNICAL APPLICATION SUPPORT & DEVELOPMENT	
<ul style="list-style-type: none">• Performance Recommendation<ul style="list-style-type: none">– Define internal performance criteria– Analyze potential system improvements– Recommend infrastructure upgrades as required	
<ul style="list-style-type: none">• Technical Database Administration<ul style="list-style-type: none">– Monitor system databases– Establish routine maintenance procedures– Analyze potential database improvements– Recommend infrastructure upgrades as required– Monitor data flow (content) over application interfaces (for New Services)– Establish & perform more complex maintenance procedures	
<ul style="list-style-type: none">• Billing Process<ul style="list-style-type: none">– All billing is to be accurate and delivered to Verizon in a timely manner so as to ensure Verizon's reasonable ability to meet payment dates given Verizon's accounting processes– Billing should include all customer accounts; correct billing address, taxes, current amount due and past due if appropriate.– Statements are to be easy to read and structured to ensure prompt payments	
<ul style="list-style-type: none">• Application Stability<ul style="list-style-type: none">– Analyze historical program change and error conditions to determine potential modifications– Interface with vendor and Verizon SD support to recommend and implement changes to enhance stability	
<ul style="list-style-type: none">• Hardware & Software Installation and Testing<ul style="list-style-type: none">– Plan introduction of all hardware & software changes– Make necessary hardware & software application changes and modify documentation.– Manage relationships with supplier Agents including performance enhancements and generic upgrades.– All installations are to be installed with quality workmanship, components and materials, as per the "The Verizon Installation Guide".– Manage and execute the preparation and testing of major and minor releases in Verizon SD Test Environment.– Document application changes & enhancements– Prepare updates for user manuals and associated documentation.– Provide Verizon SD with fully tested product for implementation into production Environment.	



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VERIZON / MOBILEARIA SERVICE LEVEL AGREEMENT

- **Technical Integration**
 - Ensure system works with all associated technical components
 - Manage integration issues across multiple supplier technology platforms
- **Development Lab Support**
 - Develop a Verizon SD Test Environment
 - Developer Problem Resolution
- **Problem Resolution**
 - Test & Resolve problems referred from Verizon SD
 - Involve MobileAria Agents as necessary
- **System Regression and Integration Testing**
 - Perform unit, stress, and interface regression testing in Verizon SD Test Environment.
 - Perform system level testing for all new features & functionality in Verizon SD Test Environment.
 - Perform tests of operating system updates in Verizon SD Test Environment



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VERIZON / MOBILEARIA SERVICE LEVEL AGREEMENT

16 Verizon Service Delivery Responsibilities

Verizon Service Delivery	GPS Support
Verizon Service Delivery	
<ul style="list-style-type: none">Production Mgmt / Availability<ul style="list-style-type: none"><i>Check that system meets all availability objectives</i><i>Check quality/Integrity of production system image</i><i>Provide single point of contact for availability management</i><i>Check that seamless recovery process exists</i><i>Monitor data flow (content) over application interfaces</i>	
<ul style="list-style-type: none">Security Administration<ul style="list-style-type: none"><i>Check system integrity via security management.</i><i>Manage security certification process and ongoing periodic security reviews.</i>	
<ul style="list-style-type: none">Problem Resolution<ul style="list-style-type: none"><i>Provide the single point of contact for technical support for field operations.</i><i>As necessary, gather additional resources from other departments and vendors.</i><i>Diagnose system problems involving GPS, as necessary.</i><i>If possible, perform Root Cause analysis and notification to MobileAria for rectification.</i><i>Involve MobileAria and vendor(s) as necessary to assist in resolution of system problems</i>	
<ul style="list-style-type: none">System Table Administration<ul style="list-style-type: none"><i>Update and maintain Verizon's system tables and options.</i><i>Maintain specific tables jointly identified with users /process owners (/etc/hosts, User Interface (UI), /etc/password etc.)</i><i>Migrate both system and user tables.</i>	
<ul style="list-style-type: none">Release Management & Installation<ul style="list-style-type: none"><i>Manage the implementation process for all major and minor GPS/unit installations, and Database releases and patches into the production environment.</i><i>Interface with and manage vendor involvement, as necessary.</i><i>Provide support of Release Management process.</i><i>Provide schedule process and associated time lines for all system effecting external application changes/upgrades.</i>	



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VERIZON / MOBILEARIA SERVICE LEVEL AGREEMENT

- **Change Control (Oversight)**
 - Schedule, coordinate, and track repairs via a Service Request Database and formal Change Control process.
 - Ensure changes are introduced in accordance with Verizon policies.
 - Coordinate availability scheduling of related applications.
 - Schedule necessary resources for thorough acceptance testing.
 - Ensure changes do not conflict with changes to dependent systems.
- **Performance Monitoring**
 - Monitor key performance indicators on a 24 x 7 basis.
 - Provide daily in-depth Application, Operating System, Database surveillance to isolate problem areas.
 - Proactively Monitor volumes and Monitor user performance and transaction volume.
 - Write, save, and execute efficient on-line report queries.
 - Develop system tools to aid in troubleshooting and performance monitoring.
 - Recommend infrastructure improvements as required.

17 Signoff

Approved:

Kim Schroeder June 6, 2005
Kim Schroeder
Director
Verizon Services Corp.

Charles H. Hall June 2, 2005
Charles H. Hall
MobileAria Inc.



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APPENDICES

APPENDIX A: Service Description and Responsibilities

A. Right to Copy Documentation.

For all new software upgrades and installations, VERIZON SERVICE DELIVERY will receive new or updated documentation, and will retain at least one copy of this documentation for training and operations.

B. Remote Support.

VERIZON SERVICE DELIVERY will provide a list of support personnel authorized to request support from MobileAria.

C. Call Center.

Authorized Callers can submit calls or Trouble Tickets to MobileAria. MobileAria will provide an escalation process to VERIZON SERVICE DELIVERY. Critical system failures will have a two (2)-hour response time during normal business hours. The response time for weeknights and weekends will be two (2) hours. Non-Critical system inquiries and questions will be answered by the next business day. If after normal hours, a phone response or a written electronic response by the next business day shall be provided, at the discretion of VERIZON SERVICE DELIVERY

D. Escalation Management, On-site Support.

MobileAria Project Team & VERIZON SERVICE DELIVERY' team may mutually agree, to send On-Site repair technicians (MobileAria's Agent) to a VERIZON SERVICE DELIVERY site to assist with critical problem resolution. VERIZON SERVICE DELIVERY will log all problems reported to the MobileAria team via Trouble Tickets. MobileAria will be responsible for providing a synopsis of the problem resolution back to VERIZON SERVICE DELIVERY.

E. Preventive Maintenance

MobileAria will provide to VERIZON SERVICE DELIVERY all required monitoring tools of operating environment for GPS and associated installed hardware and software to support the GPS infrastructure. MobileAria will keep system and network diagnostic and maintenance programs resident on VERIZON SERVICE DELIVERY systems or site for the exclusive purpose of performing diagnostics and maintenance.



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APPENDICES

APPENDIX B: Key Application Contacts

The following is a list of contacts for the organizations supporting MobileAria/GPS.

Note: 1 = Primary contact

Organization	Title	Name	Telephone
MobileAria Project Team	MobileAria SD - Project / Client Manager	Victor Shao	650-237-4447
Verizon IT	Technical Manager	Boris Elman	781-466-4231 (o) 781-718-4117 (m)
Verizon SD	Director	Kim Schroeder	212-395-5490
MobileAria Project Team	VP Operations	Mani Chhabra	650-237-4431



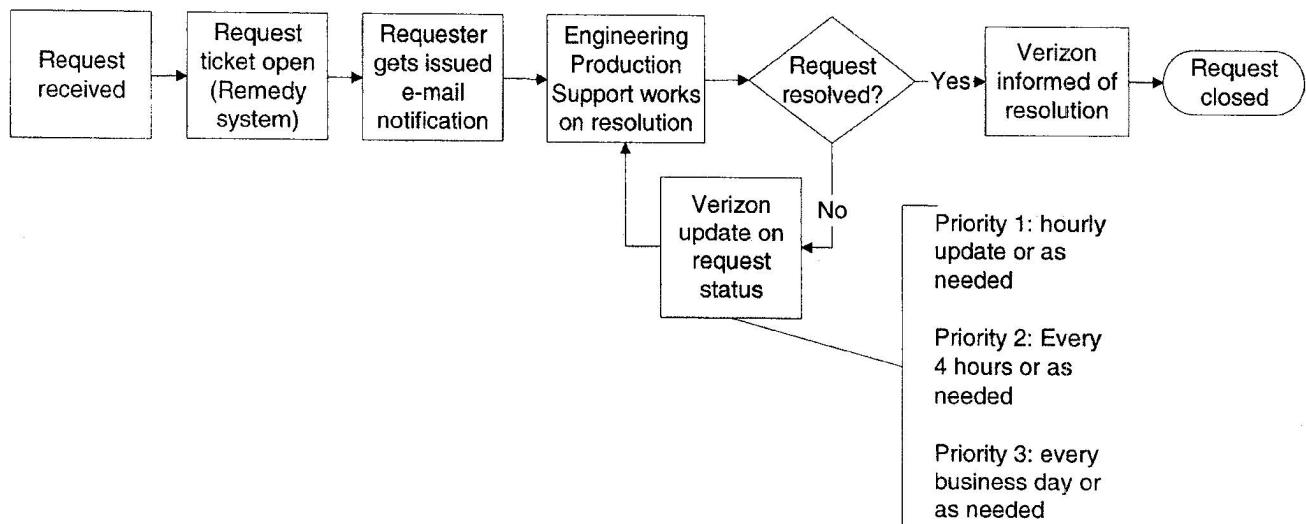
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APPENDIX C: – Process Flows

1) Request Support Process

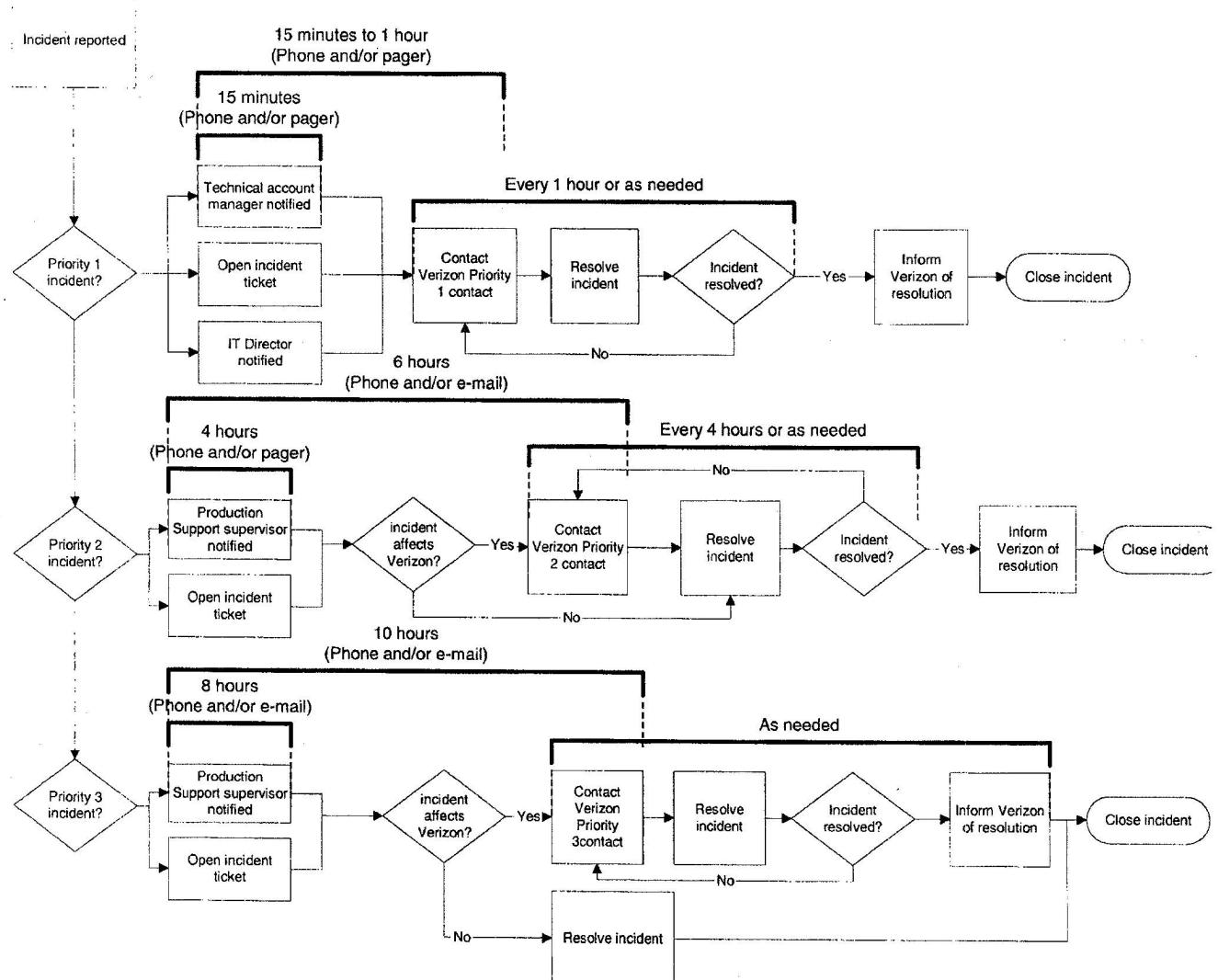


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APPENDICES

2. Incident Support/Escalation Process

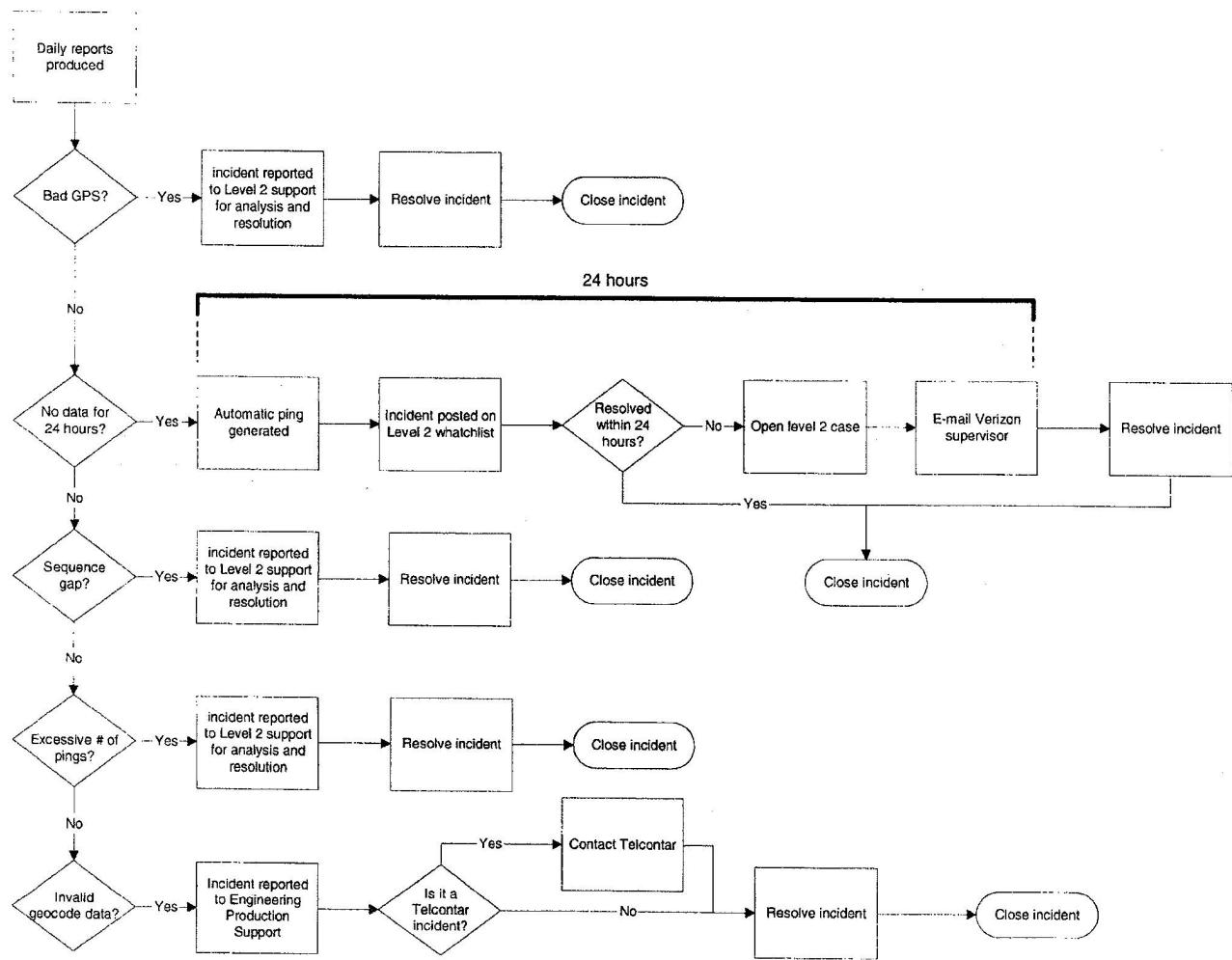


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3. VTCU Daily Report Process

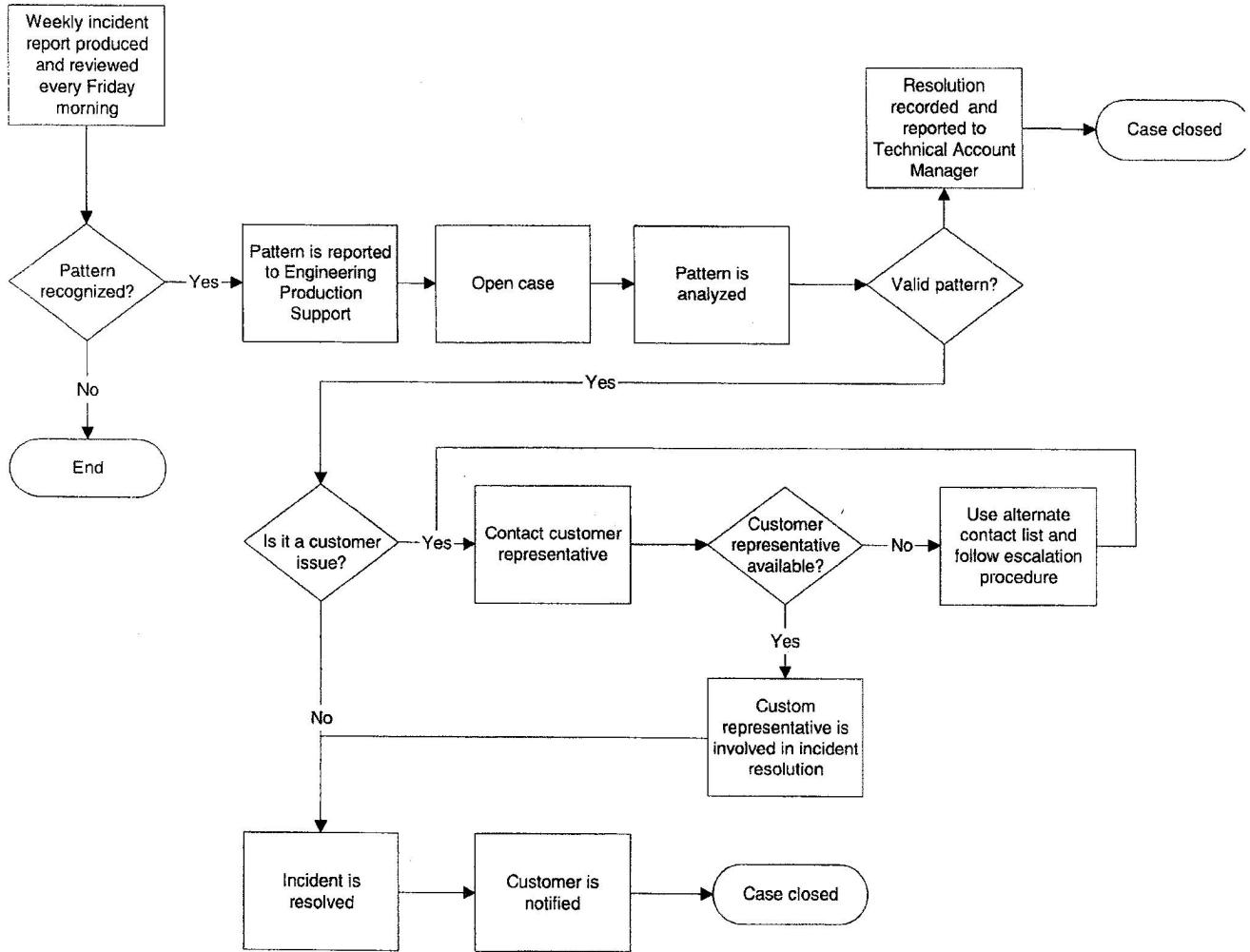


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4. VTCU Weekly Report Process



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EXHIBIT H

QUALITY STANDARDS, PROCEDURES AND COMPLAINTS

- ◆ ATTACHMENT H-1 QUALITY STANDARDS AND PROCEDURES

EXHIBIT H

To Agreement No. C0505851

ATTACHMENT H-1

QUALITY STANDARDS, PROCEDURES AND COMPLAINTS

1.1 QUALITY COMMITMENT Commitment to quality is a primary requirement of this Agreement and as used herein shall mean conformance to the terms, conditions and SPECIFICATIONS of this Agreement. Customer will assure continued Quality Improvement in the Products and Services purchased pursuant to this Agreement. Supplier will demonstrate commitment to a Quality Improvement Process by providing:

1. A published statement of its quality policy signed by an officer of the company;
2. An established means of measuring and reporting customer satisfaction;
3. A quality training and awareness program;
4. A continuous Quality Improvement Process;
5. An established means of monitoring conformance to requirements for Products and Services; and
6. An established Product Quality Inspection Program.

1.2 QUALITY SYSTEM Supplier and its subcontractors shall document, implement and maintain a quality control, assurance and improvement system which assures that the System(s), Product(s) and Services provided to Customer meet all performance standards and requirements, and perform in accordance with Specifications, including, but not limited to those contained in **Appendix A** hereof, entitled "Quality, Reliability and Engineering Specifications". Further, Supplier's subcontractors shall be certified to ISO 9001:2000, (ANSI/ISO/ASQ Q9001-2000) and maintain their certification throughout the duration of this Agreement. Supplier and its subcontractors shall be in compliance with all updates to such performance standards and requirements, including all those listed in this Attachment H-1, entitled QUALITY, STANDARDS, PROCEDURES, AND COMPLAINTS or in any appendix attached hereto, or as currently denominated by the QuEST Forum, Telcordia or Verizon.

Supplier agrees to allow Customer or Customer's Agent to conduct periodic on-site reviews at Supplier's Hardware manufacturing and Software development facility(s) to verify compliance with Specifications. Supplier also agrees to develop corrective action plans for any quality system deficiencies that may be detected during these periodic on-site reviews, and submit such plans to the Customer or Customer's agent within thirty (30) days after the review. Further, Supplier agrees to implement these corrective action plans within six (6) months after the review.

1.3 QUALITY PERFORMANCE REPORTING SUPPLIER agrees to provide, at no cost to Customer, data reports, upon request by Customer, which demonstrate the performance of the Supplier's Product while in development, manufacture and service, and the adherence of the Supplier's Product to the Specifications. Requirements for collecting, calculating and reporting data are defined in documents listed in **Appendix A** hereof entitled QUALITY, RELIABILITY AND ENGINEERING SPECIFICATIONS.

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Contract Number

EXHIBIT H ATTACHMENT H-1

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All required reports and data shall be delivered to Customer's Supplier Quality Management Organization at:

Jessica R. Bennett
Verizon – Supply Chain Services Quality Management
650 Park Avenue/2nd Floor
East Orange, NJ 07017

And to Customer's Sourcing Process Organization at:

Philip Melone
Sourcing Process Leader
Verizon-Strategic Sourcing
240 East 38th Street/14th Floor
New York, NY 10016

Supplier agrees to render other periodic reports for service affecting conditions or other conditions that affect the operations and administrative procedures of Customer or its AFFILIATES, or as otherwise requested by Customer or its AFFILIATES. All provided information shall be considered proprietary to Customer.

1.4 SOURCE INSPECTION Source Inspection means that Customer shall have the right to conduct due diligence inspection and testing at the Supplier's, and any of its subcontractors, facilities at any point(s) or on a continuing basis as Customer may deem appropriate. Source Inspection applies to all Products. Source Inspection shall be performed by a Customer's representative. When requested, Supplier will furnish Customer full access to its facilities and those of its subcontractors. Supplier will provide appropriate documentation to demonstrate that the Product does conform to all SPECIFICATIONS, and the Supplier's projected failure rate, along with the test data that substantiates the conformance of Product prior to shipment. Unless Customer gives Supplier written notice to the contrary, Supplier shall notify Customer when the Product is ready for inspection and Customer shall be given reasonable opportunity to inspect the Product at any time prior to shipment under agreed upon Quality Program Specifications listed in **Appendix A** hereof entitled QUALITY, RELIABILITY AND ENGINEERING SPECIFICATIONS. Inspection or failure to inspect on any occasion shall not affect Customer's rights under Exhibit D hereof, entitled "PURCHASE FOR INTERNAL USE- PRODUCT AND SERVICE WARRANTY AND PRODUCT SUPPORT" or any other provisions of the Agreement.

Supplier shall make available at no additional cost to Customer, such production testing facilities, labor, data, specifications, procedures and such other documents, and assistance as necessary for Customer to perform inspection, as indicated in **Appendix A** hereof-entitled QUALITY, RELIABILITY AND ENGINEERING SPECIFICATIONS. In addition, Supplier shall make available to Customer at no additional charge, data obtained through Supplier's normal routines, which show results of Supplier's inspection, tests and audits of Product as specified in the Quality Program Specifications. Such data shall be sufficient to demonstrate that the Product meets all quality and reliability requirements.

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Where Customer's Supplier Quality Management finds Products received by Customer do not meet Specifications, the cost of inspection and testing, replacement and shipping shall be incurred by the Supplier.

Customer reserves the right to have the Supplier inspect and test 100% of Product at their cost for the period determined by Customer in cases where Product does not meet SPECIFICATIONS.

1.5 PRODUCT TESTING All Product shipped to Customer shall have received Supplier testing to demonstrate functionality, quality and reliability. The Supplier's test environment shall emulate or simulate the Customer's actual Product application/usage conditions as identified in the Specifications (Appendix A). Supplier's testing shall be of a sufficient magnitude and duration to demonstrate full Product feature functionality in accordance with Specifications. If Supplier's quality level for this final test stage does not conform to the Specifications, then Supplier shall notify Customer immediately of such no-conformance before Product shipment, and Customer will advise Supplier as to the disposition of this Product (accept or not accept).

1.6 QUALITY SURVEILLANCE Supplier agrees to quality system surveillance activities through Customer to demonstrate that the quality system is achieving results consistent with product quality, engineering and reliability requirements. The scope and frequency of these surveillance activities will be based on the Supplier achieving and maintaining consistent and stable quality and reliability results.

1.7 TECHNICAL ANALYSIS Supplier agrees to fund Product technical analysis activities that may be required by Customer to deploy the Product, in the Customer's NETWORK through Customer's program or through test laboratories approved by Customer. Customer may request Product technical analysis activities in instances where the Supplier cannot provide sufficient validation of Product performance, quality and reliability.

1.8 COMPLAINTS

1.8.1 ENGINEERING COMPLAINTS The Supplier shall handle all Engineering Complaints (EC) submitted by Customer in accordance with GR230, Issue 2, as modified below, together with such further and additional requirements set forth in **Appendix A** hereof entitled Quality, Reliability and Engineering Specifications.

- a) Verizon recognizes (Section 2.1.R2-1, Applicable Use of Engineering Complaints; Section 2.2. CR-2, Emergency or Special Handling; Section 2.3.R2-3 Non-Applicable Uses of Engineering Complaints; and Section 2.5.3. R2-9 EC Confirmation Report-EO-150) as guidelines and typical examples, "**NOT**" as requirements or objectives:
- b) Verizon "**DOES NOT**" recognize (Section 2.5.4.R2-11, EC Interim Report-EO-151) the Supplier shall notify Verizon of a proposed Action Plan for the Complaint within 15 days of receipt.

In addition, Supplier shall adhere to the following:

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EXHIBIT H ATTACHMENT H-1

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In the event that a Customer's Engineering Complaint (EC) is marked "SERVICE EMERGENCY," then Supplier shall exert effort that goes beyond that which is customarily provided to resolve the EC. Such effort will be consistent with the level of effort the Supplier will furnish to support Customer and its AFFILIATES under Section 23 of the Agreement hereof, entitled EXTRAORDINARY SUPPORT.

Upon receipt of Customer's EC identified as a fire or safety hazard, Supplier agrees to acknowledge receipt of such EC and to respond within twenty-four (24) hours. This response shall include the proposed remedy or proposed corrective action to resolve the stated problem, or the date when the accepted solution will be completed.

In the event the Supplier anticipates that the proposed solution to the EC will exceed thirty (30) days, then Supplier shall, once every two weeks, issue an Interim Report to Customer, reporting actions taken and progress made during the reporting period. In addition, such reports will indicate the date by which Supplier anticipates that the ongoing EC study will be successfully concluded.

Supplier shall create and maintain a tracking system that records and summarizes all events surrounding any EC submitted by Customer. Supplier shall also provide Customer with on-going reports at monthly intervals as to what manifested the EC, what remedial actions were made by Supplier as a result of the Complaint and what was the result of those remedial actions. The overall progress and performance results shall be reviewed by Customer and Supplier to evaluate the overall quality of the process.

Upon Acceptance of Supplier's resolution by Customer, Supplier shall implement necessary changes within thirty (30) days.

In the event an EC causes Customer to incur additional costs, Supplier shall be responsible to reimburse Customer and/or its Affiliate for such costs. Customer shall substantiate such costs and submit to Supplier a claim for such costs. Supplier shall pay such claim within thirty (30) days after resolution of the EC upon which the claim is based. In the event Supplier fails to pay such claim, Supplier shall compensate Customer in accordance with Exhibit I of this Agreement, entitled "CRITICAL MILESTONES AND PERFORMANCE COMPENSATION PAYMENTS".

If Customer or its Affiliate disagree with Supplier on the implementation schedule and/or resolution of Complaint, Customer or its Affiliate shall have the right to escalate the matter for review on the implementation schedule, validity of the complaint, and/or resolution to higher management in accordance with Section 45 of the Agreement hereof, entitled DISPUTE RESOLUTION.

1.8.2 SUPPLIER QUALITY COMPLAINTS In the event Customer determines that Product furnished hereunder does not perform according to Specifications under the Agreement (Exhibit G-1, entitled "SERVICE LEVEL AGREEMENT", or is unsatisfactory in other respects, Customer may issue a Supplier Quality Complaint (SQC) in writing to notify Supplier. Supplier shall provide an acknowledgment to Customer within ten (10) days of receipt. Within twenty (20) days the Supplier shall provide a final report specifying, as required, the change in design, manufacturing process or installation and/or engineering instructions required to address Customer's SQC. The report will include the root cause of the SQC, condition and a

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plan for immediate corrective action to correct the SQC, and a long-term plan to ensure continued quality Products are provided. A Quality Complaint does not eliminate Customer's right to invoke breach of contract.

Nothing herein shall obviate Supplier's obligations (including but not limited to the following EXHIBITS and/or Sections of this Agreement regarding warranty, repair and replacement): Section 19 of the Agreement, entitled CHANGES TO HARDWARE OR SOFTWARE/PRODUCT CHANGE NOTICES (PCNs), Section 17 of the Agreement hereof, entitled PRODUCT WARRANTIES, SERVICES AND SUPPORT, EXHIBIT C entitled, PURCHASE FOR RESALE LICENSE WARRANTY AND PRODUCT SUPPORT, and EXHIBIT D, entitled PURCHASE FOR INTERNAL USE, LICENSE WARRANTY AND PRODUCT SUPPORT.

Customer's points of contact for all complaint information and correspondence shall be:

Jessica R. Bennett
Verizon – Supply Chain Services Quality Management
650 Park Avenue/2nd Floor
East Orange, NJ 07017

And to Customer's Sourcing Process Organization at:

Philip Melone
Sourcing Process Leader
Verizon-Strategic Sourcing
240 East 38th Street/14th Floor
New York, NY 10016

1.9 e-REPORT CARDS (eRC) e-Report Cards may be used as a means of measuring the Supplier's overall performance to ensure the Supplier is in compliance with established performance levels. Supplier shall be responsible for reporting performance data in accordance with specific metrics to be developed for the applicable Product/Service. Grades will be assigned to assess the Supplier's performance via the eRC process, and the Supplier shall be required to meet a grade of "B" or above.

Within an agreed upon timeframe after the execution of this Agreement, the Customer may implement the eRC process utilizing Supplier's Product performance data.

For any elements of the eRC that are below a grade of "B", the Supplier shall be required to develop a written Corrective Action Plan, within a specified timeframe as stated by the Customer. If within a mutually agreed upon timeframe, the Corrective Action Plan has not led to an acceptable improvement in performance (to a grade of "B" or above), then the Customer may exercise remedies as set forth in Exhibit I of the Agreement, entitled "CRITICAL MILESTONES AND PERFORMANCE COMPENSATION PAYMENTS".

If, based upon the monthly data collected for the Customer's eRC process, the Supplier fails to maintain a total grade of "B" or above for three (3) consecutive months, the Customer may, in addition to other rights under the Agreement, terminate the Agreement as specified in Section 41

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entitled, "TERMINATION:.. The Customer's right to terminate this Agreement for Cause are not precluded by the Customer's delay in exercising its rights under this Agreement.

1.10 CONTINUOUS QUALITY IMPROVEMENT PLAN Supplier shall have a written plan for continuously assessing and improving the quality and reliability of Product. Supplier's Quality Improvement Plan (QIP) shall incorporate and use a well defined and written set of metrics, approved by Customer's Supplier Quality Leader (SQL). This plan will assess internal development data and field performance data used to improve Supplier's performance. Metric collection, analysis and reporting should be conducted on a continual basis. Both file performance and in-process data shall be utilized.

All information, including, but is not limited to, plans, procedures and results, in Supplier's QIP shall be made available to Customer for monthly review.

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APPENDIX A
Quality, Reliability and Engineering Specifications

Supplier shall be expected to comply with the most current issue of the documents below that apply.

Copies may be ordered through the American Society for Quality by calling (800) 248-1946. Additional information on TL 9000 may be found on the QUEST Forum web site at www.questforum.org.

Information and ordering instructions for the technical references below may be obtained by contacting Telcordia Technologies at the following number: 1-800-521-2673 (current charges apply).

Exception, J1455---this document is a standard of the SAE (Society of Automotive Engineers). SAE may be contacted at the following number: 1-877-606-7323.

TECHNICAL REFERENCES

Number	Date	Title
J1455	08/94	Joint SAE/Tmc Recommended Environmental Practices for Electronic Equipment Design (Heavy-Duty Trucks)
GR-63	10/95	Network Equipment - Building System (NEBS) Requirements: Physical Protection
GR-78	09/97	Generic Requirements for the Physical Design and Manufacture of Telecommunications Products and Equipment
GR-209	09/98	Requirements for Product Change Notices
GR-230	12/97	Requirements for Engineering Complaints
GR-282	Rev 1 12/97	Software Reliability And Quality Acceptance Criteria (SRQAC), A Module Of RQGR, FR-796
GR-383	10/00	COMMON LANGUAGE® Equipment Codes (CLEI™ Codes) - Generic Requirements for Bar Code Labels
GR-485	02/01	Common Language® Equipment Codes (CLEI™ Codes)- Generic Requirements for Processes and Guidelines
GR-929	12/00	Reliability and Quality Measurements for Telecommunications Systems RQMS-Wire line), A Module of RQMS, FR-929 and RQGR, FR-796
GR-1089	12/97	Electromagnetic Compatibility and Electrical Safety Generic Criteria for Network Telecommunications Equipment
GR-1315	12/97	In-Process Quality Metrics (IPQM)
GR-1421	06/96	Generic Requirements for ESD Protective Circuit Packet Containers
SR-NWT-2759	01/95	A View of Packaging, Palletization and Marking Requirements
SR-332	05/01	Reliability Prediction Procedure for Electronic Equipment
TR-NWT-000357	10/93	Generic Requirements for Assuring Reliability of Components Used in Telecommunications Equipment

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GR-418		Generic Reliability Assurance Requirements For Fiber Optic Transport Systems A Module Of RQGR, FR-796
GR-840		Supplier Support Generic Requirements (SSGR), A Module of LSSGR, FR-64; OTGR, FR-439; and TSGR, FR-440
TR-NWT-000870	02/91	Electrostatic Discharge Control in the Manufacture of Telecommunications Equipment

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EXHIBIT I

CRITICAL MILESTONES AND PERFORMANCE COMPENSATION PAYMENTS

EXHIBIT I

To Agreement No. C0505851

CRITICAL MILESTONES AND PERFORMANCE COMPENSATION PAYMENTS

(A) Performance Compensation Payments

In the event of any Supplier breach, default or other failure to perform under EXHIBIT H entitled "QUALITY STANDARDS, PROCEDURES AND COMPLAINTS", Customer may elect to receive compensation in the form of payments. In such event, Customer shall assess such payments in accordance with this Exhibit and Supplier shall make any such undisputed payments to Customer. The sole purpose of such compensation is to provide an alternative mechanism within the context of the ongoing performance of the Agreement under which Customer receives compensation, should Supplier fail in its performance, without immediate resort to Section 41 of the Agreement, entitled "TERMINATION." Accordingly, Customer has the option to either terminate the Agreement under Section 41, entitled "TERMINATION" or to seek compensation under this Exhibit I. For any one occurrence, Customer may either seek compensation under this Exhibit I or may terminate the Agreement under Section 41. Election to obtain the Performance Compensation Payments precludes the subsequent exercise of the Default provision for the specific Seller failures for which payments under this Exhibit have been assessed. However, such failures shall be counted in determining the repeated, consistent or cumulative failure of Seller to meet the performance requirements of the Agreement or any amendments thereto or the requirement that Seller cure the specific failure to perform for which Performance Compensation Payments were assessed; provided, however, that Customer reserves the right and shall have the option to terminate the Agreement, should Supplier at any time fail to meet any other performance requirements of the Agreement or any amendment(s) thereto. The calculation of Performance Compensation Payments for each of the relevant provisions is:

1. Inexcusable Installation Delay

An inexcusable delay is the omission of a scheduled appointment with regard to installation of the Hardware without twenty-four (24) prior notification to the Customer.

Supplier shall pay to Customer an amount equal to one hundred dollars (\$100) or one percent (1%) of the installation cost, whichever is greater, per day unless mutually agreed otherwise, of all or that portion of the Order affected.

2. Breach of Product Delivery Interval

a) Initial Deployment (Replacement of Existing Units)

Customer will provide a rolling forecast in accordance with the delivery schedule as stated in EXHIBIT B - Attachment B-3 hereof entitled "PRODUCT DELIVERY INTERVAL". Supplier shall notify Customer if it will not comply with the rolling forecast. The Supplier shall have a thirty (30)

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day period to resolve the problem, and return to the rolling forecast schedule. If Supplier fails to satisfy the rolling forecast requirements, which will include the purchase orders, then the Supplier will pay Customer one thousand dollars (\$1,000) per day per each order late after the thirty (30) day grace period. The thirty (30) day grace period begins when the Supplier fails to satisfy the product delivery date.

b) Orders after Initial Deployment

Customer will provide a due date in accordance with the delivery schedule as stated in EXHIBIT B - Attachment B-3 hereof entitled "PRODUCT DELIVERY INTERVAL" Supplier shall immediately notify the Customer if it will fail to comply with the due date. The Supplier shall have a thirty (30) day period to resolve the problem. If Supplier fails to satisfy the new mutually agreed due date, then the Supplier will pay Customer \$1,000 per day, per each order late after the thirty (30) day grace period.

c) Minimum Performance Requirements- Technical Support and Engineering IT Support

Should Supplier be unable to meet the minimum performance requirements as defined in Section 7 of Exhibit G-1 entitled "SERVICE LEVEL AGREEMENT", after a period of one month of nonconformance, Supplier shall pay Customer one percent (1%) of Customer Service charges per day until Minimum Performance Requirements are met to the sole satisfaction of the Customer.

B) Requirements to Receive Performance Compensation Payments

In order to qualify to receive performance compensation payments under this Exhibit I, Customer shall provide Supplier with written notice of the failure to perform in accordance with Section 46 of the Agreement, entitled "NOTICES", and Supplier shall have the cure period specified below (Performance Compensation Cure Period).

The cure periods for each of the relevant provisions is as follows:

INEXCUSABLE DELAY	1 day
Breach of Delivery Interval-After Receipt of Order (ARO)	
1X	142 days
EVDO without WiFi	142 days
EVDO with WiFi	170 days
Technical Support and Engineering IT Support	30 days

Note that the cure periods begin at the notification time frame of the problem. If the problem resolution will take longer than the cure period, Supplier will advise Customer in writing and the parties will mutually determine the appropriate cure period. If Supplier fails to advise Customer that the resolution will take longer, then the cure period will remain the same. All provisions should be resolved within the cure periods mentioned to avoid penalties.

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If at the end of the Performance Compensation Cure Period, failure to perform has not been remedied to the reasonable satisfaction of Customer, then Customer shall assess the above Performance Compensation Payments from the date of such Notice or take such other action as allowed under this Agreement. Supplier shall make such Performance Compensation Payments to Customer in accordance with this section.

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